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AUTHOR Nilsen, Sigurd R.
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ABSTRACT

Data from the March 1976 Current Population Survey indicate that both metro and nonmetro areas face severe youth employment problems. Although 25% of the total United States labor force is comprised of youth aged 16-24, youth account for 50% of the total number of persons unemployed. Unemployment rates for metro and nonmetro youth are equal; however, a lower proportion of nonmetro youth are in the labor force, so a lower proportion of nonmetro youth are employed. Students experience significantly higher unemployment than metro and nonmetro non-students (22% and 17% respectively in 1976). Metro and nonmetro minority students experience exceptionally low rates of labor force participation (less than 20% in 1976) and extremely high unemployment rates (34% in nonmetro areas and 43% in metro areas). Youth employment is concentrated in clerical and service occupations. Nonmetro female youth are less likely to be employed as clerical workers than are metro females. However, a higher portion of nonmetro females are classified as operative workers. Statistics for 1976 indicate employment of more than 80% of nonmetro students and more than 86% of metro students in the wholesale and retail trade and the service industries. (Author/CM)

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Abstract

Both metro and nonmetro areas face severe youth employment problems. Twenty-five percent of the total U.S. labor force is comprised of youth aged 16–24; however, youth account for 50 percent of the total number of persons unemployed. Unemployment rates for metro and nonmetro youth are equal; however, a lower proportion of nonmetro youth are in the labor force. This means a lower proportion of nonmetro youth are employed. Youth employment is concentrated in clerical and service occupations. Nonmetro female youth are less likely to be employed as clerical workers when compared with metro females. However, a higher proportion of nonmetro females are classified as operative workers.

Keywords: Youth employment, Nonmetro youth, Metro youth, School enrollment, Labor force participation of youth

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Highlights

Youth employment problems, often portrayed as purely metro-related, are just as pronounced in nonmetro areas. Such factors as high unemployment levels, highly seasonal swings in labor force participation, and the concentration of employment opportunities in low-skilled occupations are characteristics of each. This report includes these findings:

- Unemployment of youth (16–24 years of age) was 11.7 percent for both metro and nonmetro areas in 1979. This represented over 2 million unemployed metro youth and 880,000 nonmetro youth.

- The 1979 labor force participation rate of nonmetro youth was about 68 percent, while the metro rate was slightly over 69 percent.

- The 1976 labor force participation rate for youth enrolled in school was about 31 percent in nonmetro areas and 35 percent in metro areas. In both, this was less than one-half the rate of nonenrolled youth.

- Students experienced significantly higher unemployment than metro and nonmetro nonstudents. The 1976 unemployment rate for metro and nonmetro students was 22 percent and 17 percent, respectively.

- Metro and nonmetro minority students experienced exceptionally low rates of labor force participation in 1976, less than 20 percent, and extremely high unemployment rates, 34 percent in nonmetro areas and 43 percent in metro areas.

- Youth employment was concentrated in clerical and service occupations and accounted for 46 percent of metro youth and 36 percent of nonmetro youth in 1976.

- The wholesale and retail trade and the service industries employed over 80 percent of nonmetro students and over 86 percent of metro students in 1976.

Nonmetro Youth in the Labor Force

Sigurd R. Nilsen
Economist

Introduction

Metro youth labor force problems are frequently highlighted in the media and in policy discussions, while nonmetro youth problems are often ignored.[1,2] However, their problems are quite similar when measured by unemployment rates, the seasonal nature of their employment, and the employment opportunities available to each *(1, 2, 4, 6, 8, 9)*.[3]

There were 36 million persons 16–24 years old in the United States in 1979. Seventy percent of these persons resided in metro areas and 30 percent were nonmetro residents. At the national level, this group comprised nearly one-quarter of the civilian labor force but over one-half of the unemployed. There was little difference in the metro and nonmetro area percentages. However, there were differences in labor force participation and unemployment rates among subgroups of the youth population in metro and nonmetro areas.[4,5]

This report provides an empirical basis for comparing the labor force status of youth in metro and nonmetro areas. The report also highlights the differences in labor market conditions faced by youth who are enrolled in school and those who are not.[6]

Youth Unemployment

Youth labor market problems in both nonmetro and metro areas center around high levels of unemployment and low-paying, unstable employment. Nearly 900,000 nonmetro youth and over 2 million metro youth 16–24 years of age were unemployed in 1979 (table 1). Nationally, these persons comprised nearly one-half of all unemployed workers. The unemployment rate for nonmetro teenagers (16–19 years old) was 15.5 percent, 2.7 times the rate for the total nonmetro labor force. For metro areas, the teenage rate was 16.3 percent, 2.8 times the rate for all metro workers. The unemployment rate of metro and nonmetro teenagers, however, is not statistically different, at the 95-percent confidence level.

Although the unemployment rates for older youth (aged 20–24 years old) were significantly lower than the rates for teenagers, they were still more than 50 percent higher than the rates for all workers in both metro and nonmetro areas. An even more striking assessment of the labor force status of youth is provided by a comparison with the unemployment rate of the 25-year-old and over labor force. The unemployment rate for this older segment of the labor force is only around 4 percent in both metro and nonmetro areas. Thus, even older youth (20–24-year-olds) experience unemployment more than twice as great as this group.

Seasonal Patterns of Youth Labor Force Participation and Unemployment

The size of the youth labor force varies greatly during any year. Labor force participation usually peaks in the third quarter (July, August, September) and bottoms out in the first quarter (January, February, March) (fig. 1). This trend is similar to that of the labor force as a whole, but the differences between the highest and lowest rates are much greater for youth. The labor force participation rate for the total labor force usually varies by about 2 percentage points during the year, while the youth rate fluctuates by about 15 points for 16–19-year-olds and just under 6 points for 20–24-year-olds.[7] The swings in the labor force participation of youth are related to entry and exit from school. Also, it appears that the demand for youth labor is related to its supply. Thus, employment opportunities for youth increase in the summer months when youth are readily available.

The seasonal patterns of labor force participation and unemployment are not appreciably different for metro and nonmetro youth. Even though the nonmetro youth unemployment rate is slightly lower than the metro rate, these differences are rarely statistically significant *(14)*.

The rate of labor force participation increased steadily between 1973 and 1979 for both metro and nonmetro youth. Unemployment, however, varied according to the swings in the economy, peaking during the 1975–76 recession period (fig. 2). Nevertheless, the high rates of unemployment experienced during the recession ap-

[1] Metro area: all counties that are included in Standard Metropolitan Statistical Areas (SMSA). The definition used throughout this report corresponds to the 243 SMSA's recognized at the time of the 1970 Census.

[2] Nonmetro area: all counties outside metro areas.

[3] Italicized numbers in parentheses refer to items in the Literature Cited section.

[4] Labor force participation rate: the proportion of the civilian noninstitutional population that is either employed or actively seeking work.

[5] Unemployment rate: the proportion of the labor force which is without a job and actively looking for work.

[6] School enrollment status: denotes whether youth are enrolled as full-time students or are out of school.

[7] Most of the variation in labor force participation during the year appears to result from the entry and exit of youth in the labor force. The labor force participation rates for the 25 and older population varies by barely 1 percentage point during any year.

pear not to have discouraged youth from searching for employment *(7)*.

Characteristics of the Youth Labor Force

The youth labor force is quite heterogeneous although one often hears references to the "unemployment problems of youth" as though youth are a single homogeneous group. However, several factors differentiate youth subgroups, including school enrollment status, age, race, sex, and region of residence. These subgroups often have very different labor market experiences and generally face quite different sets of employment problems.

Data from the March 1976 Current Population Survey (CPS), the most current data for which all the variables are available on a metro, nonmetro basis, are utilized in this analysis. The statistics cited for March 1976 are representative of the first quarter experience of youth in the labor force. Comparisons of labor market experiences and characteristics between subgroups of the youth population based on this data should be interpreted as indicative of differences or similarities evident throughout the year.[8]

[8] All differences cited in the text are statistically significant at the 90-percent confidence level or greater. To check significance of other differences in the tables, refer to the standard error table in the appendix.

Youth labor force characteristics and experiences vary greatly by both school enrollment status and age. School enrollment places demands on youth's time for classroom instruction, traveling to and from school, and assignments outside of school. Thus, it can be expected that labor force participation rates and the hours worked by school-enrolled youth will be vastly different from youth not enrolled in school.

Age, however, is a proxy for several factors which determine the labor force experience of youth. As youths age, they acquire job skills and employment references while the maturation process develops their work habits and attitudes. Thus, youth's employability is increased. For example, given a choice between two youths of different ages who are otherwise identical, employers are likely to opt for the older of the two. Age is also correlated, to some degree, with school enrollment status. More than eight out of ten 16–17-year-olds are enrolled in school while barely one in nine 22–24-year-olds are school enrollees (tables 2 and 3). The following analysis of the characteristics of youth and their labor market experiences focuses on two critical differentiating factors—school enrollment status and age.

Table 1—Labor force characteristics of metro and nonmetro population, by age, 1979 annual average

Item	Unit	Age				
		16 and older	16–24	16–19	20–24	25 and older
Metro:						
Population	Thousand	109,969	24,973	11,056	13,917	84,996
Labor force	do.	71,192	17,269	6,439	10,830	53,923
Labor force participation rate	Percent	64.7	69.2	58.2	77.8	63.4
Employment	Thousand	67,029	15,244	5,388	9,856	51,784
Unemployment	do.	4,163	2,025	1,051	974	2,139
Unemployment rate	Percent	5.8	11.7	16.3	9.0	4.0
Nonmetro:						
Population	Thousand	51,563	11,093	5,323	5,770	40,470
Labor force	do.	31,716	7,511	3,073	4,438	24,205
Labor force participation rate	Percent	61.5	67.7	57.7	76.9	59.8
Employment	Thousand	29,916	6,630	2,595	4,035	23,285
Unemployment	do.	1,800	880	477	403	920
Unemployment rate	Percent	5.7	11.7	15.5	9.1	3.8

Source: *(12)*.

Figure 1

Labor Force Participation Rates of Metro and Nonmetro Youth by Age

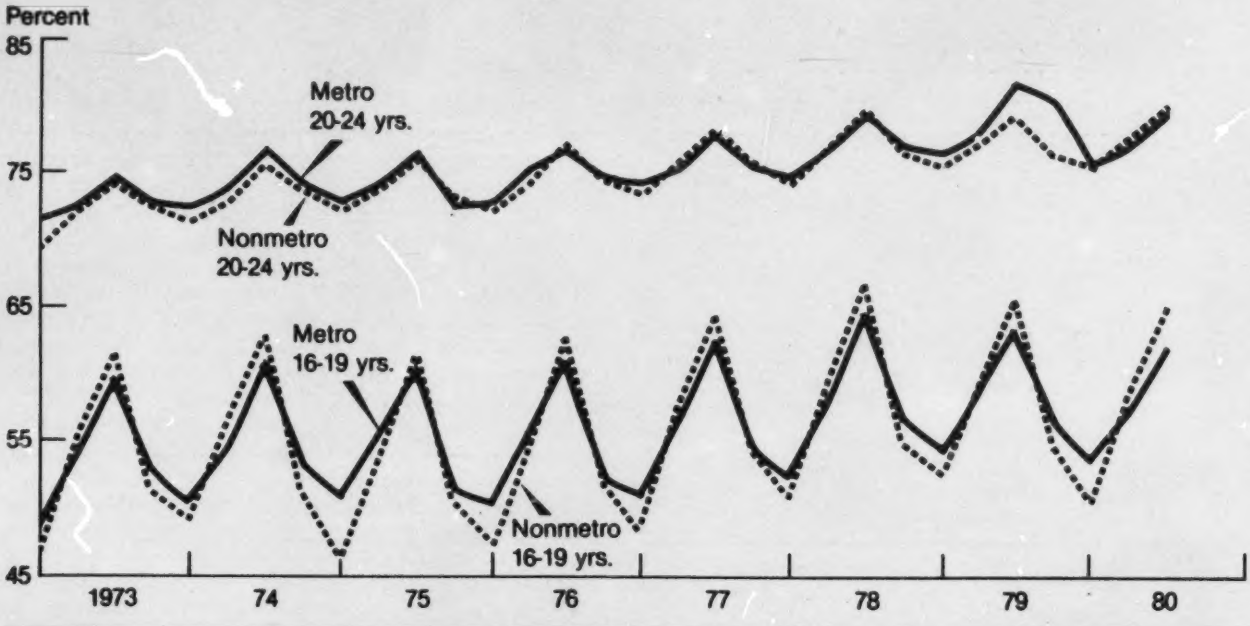

Figure 2

Unemployment Rates of Metro and Nonmetro Youth by Age

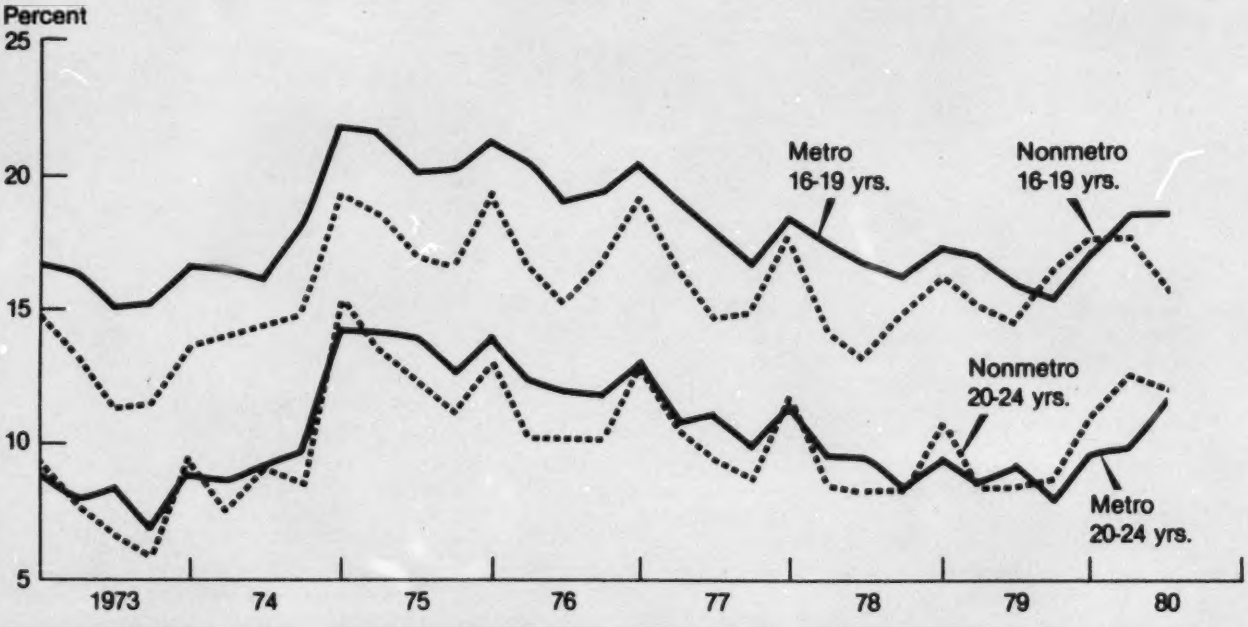

Table 2—Metro and nonmetro youth enrolled in school by age, March 1976

Age (years)	Metro	Nonmetro
	Percent	
16–24	38.9	37.3
16–17	82.1	81.7
18–21	35.9	32.5
22–24	11.8	7.8

Source: *(12)*.

Table 3—Metro and nonmetro youth population by school enrollment status and age, March 1976

Item (years)	Total	In school	Not in school
	Thousands		
Metro:			
16–24	24,067	9,359	14,709
16–17	5,532	4,540	992
18–21	10,927	3,919	7,008
22–24	7,609	899	6,709
Nonmetro:			
16–24	11,179	4,173	7,007
16–17	2,779	2,270	508
18–21	5,045	1,641	3,405
22–24	3,355	262	3,094

Source: *(12)*.

Labor Force Participation

The labor force participation rates of school-enrolled youth are about 45 percentage points lower than those of nonenrolled youth in both metro and nonmetro areas (table 4). The majority of the variation in youth labor force participation by age is attributable to the different concentrations of enrolled and nonenrolled youth in each age category. Labor force participation for 16–17-year-olds was 41 percent in metro areas and 35 percent in nonmetro areas. However, over 80 percent of both metro and nonmetro 16–17-year-olds were enrolled in school. Labor force participation for 22–24-year-olds was 75 percent for both metro and nonmetro areas. The higher labor force participation for this group mirrors the lower proportion of nonenrolled youth in this age group, 12 percent in metro areas and 8 percent in nonmetro areas. Labor force participation rates increased from relatively low levels for 16–17-year-olds to much higher levels for 22–24-year-olds in 1976. This could be attributed to lower levels of older-youth school enrollment and not merely age.

Labor force participation of enrolled youth averaged 35 percent in metro areas and 31 percent in nonmetro areas. Nonenrolled youth averaged 80 percent labor force participation in metro areas and 77 percent in nonmetro areas. Although labor force participation increased for both enrolled and nonenrolled nonmetro youth and nonenrolled metro youth as age increased, the variation by age in labor force participation within each of these enrollment status categories is small, relative to the variation between school enrollment status categories. In fact, labor force participation exhibited no statistically significant variation for enrolled metro youth by age, but nonmetro labor force participation did increase significantly with age.

Unemployment

Youth not enrolled in school experience lower levels of unemployment when compared with their school-enrolled counterparts. This is true for both metro and nonmetro youth, although the differential in the unemployment rates between enrolled and nonenrolled youth is greater for metro youth. Unemployment of school-enrolled metro youth averaged 21.7 percent in 1976, while the comparable rate for nonmetro youth was 17.4 percent (table 5). Unemployment rates for nonenrolled metro and nonmetro youth were essentially identical, averaging a little over 14 percent.

Unemployment rates for youth decreased as age increased for all school enrollment and residence categories. The unemployment rate for 22–24-year-old youth was nearly 12 percent for all school enrollment and residence categories, except school-enrolled metro youth. However, unemployment levels for 22–24-year-old youth were still over twice the rate of the 25 and over labor force.

Employment-Population Ratio

The employment-population ratio is an excellent indicator of the relative employment position of youth in the labor force. This index measures the proportion of the population which is employed. The denominator of this index, youth population, exhibits little monthly variation. The unemployment rate, however, uses the labor force as its base, which for some groups, particularly youth, varies greatly over the course of a year and is, thus, a much more volatile measure. The employment-population ratios presented in table 6 indicate that both metro and nonmetro school-enrolled youth have very low ratios but nonenrolled youth have relatively high ratios. This indicates that nonenrolled

Table 4—Labor force participation rates for metro and nonmetro youth, by age, sex, and school enrollment status, March 1976

Item (years)	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
Total:						
16–24	62.4	34.9	79.9	59.4	30.5	76.6
16–17	40.8	34.0	71.9	35.1	28.7	63.7
18–21	64.8	35.8	81.0	62.7	31.5	77.7
22–24	74.6	35.4	79.8	74.6	40.5	77.5
25+	61.7	—	—	57.7	—	—
Male:						
16–24	67.3	36.1	89.8	68.1	32.2	90.6
16–17	42.6	35.2	79.0	38.4	30.2	75.7
18–21	69.5	36.8	89.5	71.0	33.6	90.0
22–24	83.1	37.4	91.9	88.4	38.9	93.7
25+	80.3	—	—	75.7	—	—
Female:						
16–24	57.5	33.4	71.0	51.0	28.2	63.6
16–17	38.9	32.6	65.4	31.8	27.1	52.2
18–21	60.3	34.6	73.3	55.0	29.4	66.8
22–24	66.6	31.5	69.5	60.8	42.9	61.9
25+	42.3	—	—	41.6	—	—

— = Not applicable.
Source: *(12)*.

Table 5—Unemployment rates for metro and nonmetro youth by age, sex, and school enrollment status, March 1976

Item (years)	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
Total:						
16–24	15.7	21.7	14.1	15.0	17.4	14.4
16–17	22.4	25.0	16.9	18.2	19.0	16.5
18–21	16.5	19.5	15.8	16.8	16.6	16.8
22–24	12.1	16.1	11.9	11.5	11.7	11.5
25+	5.9	—	—	5.6	—	—
Male:						
16–24	17.1	23.4	15.3	14.2	18.7	13.2
16–17	23.9	26.8	17.4	20.0	21.4	17.3
18–21	18.3	22.0	17.3	16.0	16.6	15.9
22–24	13.1	15.2	13.0	10.1	13.3	9.9
25+	5.7	—	—	5.2	—	—
Female:						
16–24	14.1	19.7	12.6	16.0	15.9	16.0
16–17	20.8	22.9	16.4	16.0	16.4	15.3
18–21	14.5	16.5	14.0	17.7	16.5	17.9
22–24	10.9	18.2	10.6	13.7	9.4	13.9
25+	6.4	—	—	6.1	—	—

— = Not applicable.
Source: *(12.)*

youth are more frequently available for employment than school-enrolled youth. In fact, except for 16–17-year-old nonmetro youth, nonenrolled youth have a higher employment-population ratio than their adult (25 years and older) counterparts. Female youth especially have a much higher labor force participation rate when compared with their adult counterparts 25 years and older.

Part-time Employment

Voluntary part-time employment of youth appears to be strongly affected by age and school enrollment status (table 7). School-enrolled youths are much more likely to be employed part-time than their nonenrolled counterparts. Youth aged 16–17 years old also are more likely to be employed part-time, regardless of school enrollment status.

School enrollment places great demands on a youth's time and it is not surprising that those enrolled youths who are employed are overwhelmingly part-time workers, both in metro as well as nonmetro areas. Nonenrolled 16–17-year-olds are primarily part-time workers due to their relative lack of skills and a lack of interest by employers.

Minority Youth

Black and other minority youth encounter more labor-market difficulty than their White counterparts. Labor force participation rates for minority youth are significantly lower than the rates for Whites, particularly for those enrolled in school (table 8). Unemployment rates for Black and other minority youth are also significantly higher than for White youth in both metro and nonmetro areas (table 9). This evidence, as reflected by high unemployment rates, suggests that minority youth are discouraged from labor force participation by poor employment prospects. However, an equally plausible explanation is that minority youth do not have physical access to employment opportunities because they do not reside near employment centers *(9)*.

The employment-population ratios also connote the severe labor market difficulties encountered by minority youth in metro as well as nonmetro areas (table 10). School-enrolled minority youth have extremely low employment-population ratios, averaging less than half the rate for White youth.

Table 6—Employment-population ratios for metro and nonmetro youth by age, sex, and school enrollment status, March 1976

Item (years)	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
Total:						
16–24	52.6	27.3	68.6	50.5	25.2	65.6
16–17	31.6	25.2	59.8	28.7	23.2	53.3
18–21	54.1	28.8	68.3	52.2	26.3	64.7
22–24	65.5	29.7	70.3	66.0	35.5	68.6
25+	58.0	—	—	54.5	—	—
Male:						
16–24	55.8	27.7	76.1	58.4	26.1	78.6
16–17	32.4	25.8	65.3	30.8	23.8	62.7
18–21	56.8	28.7	74.0	59.6	28.0	75.7
22–24	72.2	31.7	80.0	79.5	33.5	84.4
25+	75.7	—	—	71.7	—	—
Female:						
16–24	49.4	26.8	62.1	42.8	24.2	53.4
16–17	30.8	25.2	54.5	26.7	22.7	44.4
18–21	51.5	28.9	63.0	45.3	24.5	54.9
22–24	59.3	25.7	62.1	52.5	39.0	53.3
25+	39.6	—	—	39.1	—	—

— = Not applicable.
Source: *(12)*.

Table 7—Part-time employment as a percent of total employment for metro and nonmetro youth, by age and school enrollment status, March 1976

Age (years)	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
16–24	36.7	93.7	22.5	33.5	92.9	20.0
16–17	88.7	96.5	73.5	83.9	93.9	64.6
18–21	37.5	92.0	24.6	33.2	91.2	21.9
22–24	18.0	88.4	13.9	15.8	83.9	12.3

Source: *(12)*.

Table 8—Labor force participation rates for metro and nonmetro youth by race, age, and school enrollment status, March 1976

Item (years)	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
Minority:						
16–24	49.2	19.0	70.7	49.7	15.3	71.7
16–17	21.7	15.4	56.5	36.6	12.6	49.5
18–21	52.6	22.9	71.4	51.7	16.4	71.1
22–24	66.2	21.2	72.0	73.0	39.3	75.2
White:						
16–24	64.8	38.0	81.5	60.7	32.6	77.3
16–17	44.6	37.8	74.5	36.6	30.8	64.1
18–21	67.0	38.3	82.7	64.2	33.8	78.6
22–24	76.0	37.8	81.2	74.8	40.5	77.8

Source: *(12)*.

Table 9—Unemployment rates for metro and nonmetro youth by race, age, and school enrollment status, March 1976

Item (years)	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
Minority:						
16–24	27.0	43.3	23.9	22.9	33.8	21.4
16–17	20.7	46.4	31.7	17.2	37.1	39.3
18–21	28.7	42.9	25.8	27.6	31.6	27.1
22–24	21.5	32.2	21.0	14.7	29.5	14.2
White:						
16–24	14.1	19.6	12.6	14.2	16.4	13.6
16–17	20.7	23.2	15.0	17.2	18.0	15.2
18–21	14.8	16.7	14.3	15.6	15.5	15.6
22–24	10.6	14.6	10.4	11.2	10.2	11.2

Source: *(12)*.

Regional Comparisons

Regionally, there is some variation in the labor force status of youth. The most striking difference is the low level of labor force participation of school-enrolled nonmetro youth in the South and their high unemployment, resulting in a low employment-population ratio (tables 11, 12, and 13). School-enrolled youth in the metro Northeast also have a low employment-population ratio as do nonenrolled nonmetro youth in the West. Labor force and employment conditions for youth appear to be best in the north-central region across all school-enrollment status and residence categories.

Occupational Composition of Youth Employment

The occupational composition of youth employment was skewed toward lower level occupations in 1976 (table 14). Clerical, operatives, and service worker occupations accounted for over 50 percent of youth employment in both metro and nonmetro areas, but important metro-nonmetro differences were evident. Nonmetro females were more likely than metro females to be employed as operatives and service workers. Metro-nonmetro differences were less pronounced for males, although a higher proportion of nonmetro males were employed as farmworkers and operatives, and a higher proportion of metro males were service workers.

Youth occupations are highly correlated with school status. A significant number of employed students were in service occupations. Nonenrolled female youth were concentrated in clerical occupations; however, there were significant differences between metro and nonmetro areas. Only one-third of employed nonmetro female youth held clerical jobs as compared with 46 percent of metro female youth.

Industry Composition of Youth Employment

Youth are employed in all industries; however, over 75 percent are employed in manufacturing, the wholesale and retail trade, and the service industry (table 15). The principal difference in youth employment between metro and nonmetro areas is that there is a higher concentration of nonmetro males employed in agriculture, forestry, and fisheries.

Employment of school-enrolled youth, particularly females, is even more concentrated. Female students are employed in the wholesale and retail trade and the service industry almost exclusively. These two industries account for over 90 percent of the metro and nonmetro employment of school-enrolled women. This concentration of student employment in a few industries results from the limited ability of industry to adequately utilize large numbers of part-time workers.

Employment of out-of-school youth is somewhat more dispersed across industries. However, manufacturing is the sole industry which employs a significantly larger proportion of nonenrolled youth when compared to the industry composition of school-enrolled youth. The primary metro, nonmetro difference in the employment structure of out-of-school youth is the higher concentration of nonmetro women in manufacturing, when compared to their metro counterparts.

Table 10—Employment-population ratios for metro and nonmetro youth by race, age, and school enrollment status, March 1976

Item (years)	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
Minority:						
16–24	35.9	10.8	53.8	38.3	10.2	56.3
16–17	12.9	8.3	38.6	17.7	7.9	30.0
18–21	37.5	13.1	53.0	37.5	11.2	51.8
22–24	52.0	14.4	56.9	62.2	27.7	64.5
White:						
16–24	55.6	30.6	71.2	52.1	27.3	66.8
16–17	35.4	29.1	63.3	30.3	25.3	54.4
18–21	57.1	31.9	70.9	54.2	28.6	66.4
22–24	68.0	32.2	72.8	66.4	36.5	69.0

Source: *(12)*.

Table 11—Labor force participation rates for metro and nonmetro youth by region and school enrollment status, March 1976

Region	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
United States	62.4	34.9	79.9	59.4	30.5	76.6
Northeast	59.0	28.4	82.2	61.9	32.9	83.6
North-central	65.7	42.1	81.1	64.3	37.1	81.2
South	61.8	31.2	78.5	55.7	22.5	73.6
West	62.7	38.0	77.7	58.1	37.6	69.8

Source: *(12)*.

Table 12—Unemployment rates for metro and nonmetro youth by region and school enrollment status, March 1976

Region	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
United States	15.7	21.7	14.1	15.0	17.4	14.4
Northeast	18.1	22.8	16.9	16.1	16.4	16.0
North-central	15.3	19.2	14.0	14.5	12.0	15.2
South	13.2	22.1	11.3	14.6	23.3	13.2
West	16.8	24.0	14.6	16.4	20.2	15.2

Source: *(12)*.

Table 13—Employment-population ratios for metro and nonmetro youth by region and school enrollment status, March 1976

Region	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
	Percent					
United States	52.7	27.3	68.6	50.5	25.2	65.6
Northeast	48.3	21.9	68.3	51.9	27.5	70.2
North-central	55.6	34.0	69.7	55.0	32.6	68.9
South	53.3	24.3	69.6	47.6	17.3	63.9
West	52.2	28.9	66.4	48.6	30.0	59.2

Source: *(12)*.

Table 14—Occupation of employment of youth by school enrollment status and sex, March 1976

Employment by occupation	Metro			Nonmetro		
	Total	Male	Female	Total	Male	Female
			Thousands			
All workers:						
Total employment	12,648	6,621	6,027	5,645	3,206	2,439
			Percent			
Professional, technical and kindred workers	9.6	8.3	11.0	8.3	6.9	10.2
Managers and administrators	3.9	5.1	2.7	2.9	4.0	1.5
Sales workers	7.7	6.6	8.9	5.9	4.7	7.6
Clerical workers	25.7	9.6	43.3	16.7	5.1	32.0
Craftworkers	8.6	15.5	.1	9.9	16.0	1.9
Operatives, except transportation	10.6	14.2	6.7	16.3	18.4	13.5
Transportation equipment operatives	3.0	5.3	.4	3.8	6.0	.8
Nonfarm laborers	8.6	15.1	1.4	10.6	17.5	1.7
Service workers	21.3	18.7	24.2	19.3	11.5	29.7
Farmworkers	1.1	1.7	.5	6.2	9.8	1.4
			Thousands			
Workers enrolled in school:						
Total employment	2,553	1,380	1,774	1,051	552	499
			Percent			
Professional, technical and kindred workers	7.1	8.2	5.7	6.2	5.0	7.5
Managers and administrators	1.2	1.9	.4	.2	.3	—
Sales workers	10.7	8.6	13.1	7.7	6.3	9.3
Clerical workers	20.1	9.5	32.7	16.9	8.4	26.2
Craftworkers	1.7	2.5	.7	3.1	4.4	1.6
Operatives, except transportation	4.5	7.2	1.4	6.4	10.9	1.5
Transportation equipment operatives	1.8	3.1	.3	1.8	2.7	.9
Nonfarm laborers	11.3	19.2	2.0	10.9	19.7	1.2
Service workers	39.4	36.5	42.7	37.7	27.0	49.6
Farmworkers	2.3	3.4	1.0	9.1	15.4	2.1
			Thousands			
Workers not enrolled in school:						
Total employment	10,095	5,242	4,853	4,594	2,654	1,940
			Percent			
Professional, technical, and kindred workers	10.2	8.4	12.2	8.8	7.5	10.8
Managers and administrators	4.6	5.9	3.3	3.6	4.8	1.8
Sales workers	6.9	6.0	7.9	5.5	4.4	7.1
Clerical workers	27.1	9.7	45.8	16.7	4.4	33.5
Craftworkers	10.3	18.9	1.0	11.5	18.5	1.9
Operatives, except transportation	12.2	16.0	8.0	18.5	20.0	16.5
Transportation equipment operatives	3.3	5.9	.4	4.2	6.7	.7
Nonfarm laborers	7.9	14.0	1.3	10.6	17.0	1.8
Service workers	16.7	14.0	19.7	15.1	8.3	24.6
Farmworkers	.8	1.2	.4	5.5	8.7	1.2

— = Rounds to zero.
Source: *(12)*.

Table 15—Industry of employment of youth by school enrollment status and sex, March 1976

Employment by industry	Metro			Nonmetro		
	Total	Male	Female	Total	Male	Female
			Thousands			
All workers:						
Total employment	12,648	6,621	6,027	5,645	3,206	2,439
			Percent			
Agriculture, forestry, and fisheries	1.8	2.7	0.8	6.7	10.6	1.6
Mining	.3	.5	.1	1.5	2.5	.2
Construction	4.3	7.7	.5	6.0	10.3	.4
Manufacturing	16.2	20.4	11.5	21.2	24.1	17.3
Transportation, communication, and other public utilities	4.8	6.1	3.5	4.1	5.1	2.9
Wholesale and retail trade	32.7	34.3	31.0	28.3	27.0	30.1
Finance, insurance, and real estate	6.5	3.5	9.9	3.2	1.9	5.0
Services	29.7	21.5	38.6	26.1	15.5	40.0
Government	3.7	3.3	4.1	2.8	3.1	2.4
			Thousands			
Workers enrolled in school:						
Total employment	2,553	1,380	1,774	1,051	552	499
			Percent			
Agriculture, forestry, and fisheries	2.8	4.3	1.1	9.7	16.2	2.4
Mining	—	—	—	.4	.5	.3
Construction	.9	1.3	.4	1.9	3.1	.6
Manufacturing	4.2	6.5	1.6	2.8	4.4	1.0
Transportation, communication, and other public utilities	2.3	3.3	1.0	2.0	2.6	1.2
Wholesale and retail trade	47.5	49.5	45.1	42.5	44.0	40.7
Finance, insurance, and real estate	2.4	2.1	2.7	1.3	2.0	.7
Services	38.6	31.9	46.5	38.0	25.5	51.8
Government	1.3	1.1	1.6	1.5	1.6	1.3
			Thousands			
Workers not enrolled in school:						
Total employment	10,095	5,242	4,853	4,594	2,654	1,940
			Percent			
Agriculture, forestry, and fisheries	1.6	2.3	0.8	6.1	9.5	1.4
Mining	.4	.6	.1	1.7	2.9	.2
Construction	5.1	9.4	.6	6.9	11.8	.4
Manufacturing	19.2	24.1	13.9	25.4	28.2	21.6
Transportation, communication, and other public utilities	5.5	6.9	4.0	4.6	5.6	3.4
Wholesale and retail trade	29.0	30.2	27.6	25.1	23.4	27.4
Finance, insurance, and real estate	7.6	3.9	11.6	3.6	1.8	6.1
Services	27.4	18.8	36.7	23.4	13.4	37.0
Government	4.3	3.9	4.7	3.1	3.5	2.7

— = Rounds to zero.
Source: *(12)*.

Mean Earnings and Duration of Employment

Average earnings for nonmetro youth are lower than average metro youth earnings. In 1975, nonmetro youth earned, on average, $3,193, only 88 percent of the $3,639 earned, on average, by metro youth (table 16). The difference between metro and nonmetro youth mean earnings is, however, less than the metro, nonmetro differential in earnings for all workers. This lower metro, nonmetro earnings differential for youth results, most likely, from the more similar composition of youth employment in metro and nonmetro areas, as compared to the composition of older worker employment. Because youth, regardless of geographic location, possess few marketable skills, they generally obtain employment in the same types of low-wage jobs.

The distribution of employment by duration of employment, exhibits little metro, nonmetro variation (table 17). Youth aged 16–17 are primarily employed part-time; most are employed part-year. Youth aged 22–24 are principally full-time workers, with more than half working year-round.

Reasons for Unemployment

Unemployed youth are generally out of work not because they have lost a job or they have left a job, but principally because they are looking for their first job, or are re-entering the labor force in search of a job (table 18). The distribution of reasons for unemployment given by unemployed youth varies greatly by school status.

Eighty-three percent of metro area unemployed students and 91 percent of nonmetro area students were without jobs because they were either new entrants or re-entrants to the labor force in March 1976. The significantly higher rate of new entrants and re-entrants to the labor force of nonmetro students results from the lower rate of job leavers. Nonstudents cited job loss and job leaving as the reasons for unemployment at similar rates in metro and nonmetro areas. New entry and re-entry accounted for about 50 percent of the unemployment of nonstudents in both metro and nonmetro areas.

The distribution of reasons for youth unemployment was significantly different from the older labor force (25 years old and over) whose unemployment is largely accounted for by job loss (69 percent of the unemployed in metro areas and 67 percent in nonmetro areas).

Long-term unemployment appears to be a more serious problem for the adult labor force (aged 25 and over) than for youth.[9] However, nonstudent youth have approximately the same rate of long-term unemployment as compared with the older labor force, about 45 percent of the unemployed for all groups. Students, however, exhibit a much lower rate of long-term unemployment, about 25 percent in both metro and nonmetro areas. From the data available, it is impossible to determine if their unemployment is terminated by obtaining employment, if they become discouraged and drop out of the labor force, or if they quit work for reasons related to attending school.

Table 16—Annual average earnings of youth by employment status, 1975

Employment status	Annual earnings	
	Metro	Nonmetro
	Dollars	
Total:	3,639	3,193
Full-time, year-round	7,215	6,297
Part-time, year-round	2,530	1,999
Full-time, part-year	2,327	2,006
Part-time, part-year	843	745

Source: *(12)*.

Implications and Conclusions

Youth experience labor market difficulties regardless of where they live. Public policy designed to treat the problems of youth in the labor market, therefore, must be sufficiently flexible to deal with both the metro and the nonmetro aspects of the problem.

The incorporation of all youth into the labor force is difficult *(15)*. However, it appears to be most difficult for teenagers, students, and minorities. An especially pressing issue is the youth making the transition from classroom to labor market *(3)*. Although the unemployment rate is greater for students, the number of out-of-school youth who are unemployed is substantially greater.

The unemployed out-of-school youth should be the object of public policy concern because these youth represent a valuable resource to the economy which should be utilized. Studies have concluded that periods of un-

[9] Long-term unemployment is defined as being unemployed for 15 weeks or more.

Table 17—Employment status for metro and nonmetro youth by age, 1975

Employment status	Metro				Nonmetro			
	16–24 years	16–17 years	18–21 years	22–24 years	16–24 years	16–17 years	18–21 years	22–24 years
	Thousands							
Total	17,116	2,639	8,393	6,085	8,114	1,524	3,917	2,693
	Percent							
Full-time, year-round	33.4	2.2	29.7	52.1	34.2	3.1	31.7	55.4
Part-time, year-round	14.7	22.5	15.7	9.8	12.2	20.2	12.4	7.5
Full-time, part-year	28.2	15.8	32.0	28.3	31.6	26.2	36.3	27.8
Part-time, part-year	23.7	59.4	22.6	9.7	22.1	50.5	19.7	8.4

Source: *(12)*.

Table 18—Unemployment and reasons for unemployment for metro and nonmetro youth, by school enrollment status, March 1976

Reasons for unemployment by age	Metro			Nonmetro		
	Total	In school	Not in school	Total	In school	Not in school
16–24 years:			*Thousands*			
Unemployed	2,360	709	1,651	997	222	775
			Percent			
Job losers	29.5	9.9	37.9	30.0	8.8	36.0
Job leavers	12.2	7.6	14.2	9.9	.7	12.6
New entrants and re-entrants	58.3	82.5	47.9	60.1	90.5	51.4
25+ years:			*Thousands*			
Unemployed	2,951	—	—	1,219	—	—
			Percent			
Job losers	68.6	—	—	67.0	—	—
Job leavers	9.9	—	—	10.8	—	—
New entrants and re-entrants	21.3	—	—	22.2	—	—

— = Not applicable.
Source: *(12)*.

employment or idleness during this critical transition often correlate highly with unemployment and other labor market difficulties later in life *(1)*.

Out-of-school youth comprise nearly 20 percent of the labor force yet account for 30 percent of the unemployed. Because many do not possess marketable skills or relevant work experience, career-potential employment is difficult. However, statistics imply that unemployment of youth declines as work experience is obtained. Thus, the unemployment rate of 22-24-year-olds is significantly lower than the unemployment rate for younger youth.

Facilitating the school-to-work transition, especially for teenagers, minorities, and youth from economically disadvantaged areas, appears to be the primary role which public policy should play in treating the youth employment problem.

Care should be exercised in developing relevant programs to deal with the nonmetro problem, even though the youth problem in nonmetro areas is similar to the metro problem. Certain characteristics of nonmetro areas may also determine the degree of participation or ultimate success of a program. For example, distance between residence and place of work are often greater in nonmetro areas, many places are difficult to reach, and public transportation generally does not exist. Often, a youth must rely on others for transportation. The combination of long distances and longer traveling time is probably one reason why labor force participation rates for nonmetro students are lower. Also, the trip to and from school often extends the school day enough to effectively preclude any labor market activity, except for those residing near both school and employment.

Future research should address such questions as: What effect will continued shifts in the economy toward the service sector have on youth employment? Will the population shifts which occurred in the seventies impact upon the youth employment situation in rural areas? And, can the specific employment problems confronting rural youth be more fully defined?

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Appendix

Use the appendix table to obtain the standard error (σ_x) for an estimated percentage. It may be necessary to interpolate to obtain the standard error, for example, when computing the standard error of a difference between estimated percentages. Table 4 shows that 34 percent of the 16–17-year-old metro students were in the labor force, as compared with 28.7 percent of the 16–17-year-old nonmetro students. To test whether this 5.3-percent difference is significant, obtain the base populations from table 3, 4,540 for metro and 2,270 for nonmetro (numbers are in thousands). The standard error of a difference is defined as

$$\sigma_{x-y} = \sqrt{\sigma_x^2 + \sigma_y^2}$$

In this example the standard error of 34 percent with a base of 4,540 is 1.109 (obtained by interpolation from the standard error in the appendix table). The standard error of 28.7 percent with a base of 2,270 is 1.396.

The standard error of the difference then is

$$\sigma_{x-y} = \sqrt{(1.109)^2 + (1.396)^2} = 1.78$$

The standard error at the 90-percent level is 1.6 times the 68-percent level or 1.6 (1.78) or 2.8. The standard error at the 95-percent level is 1.96 times the 68-percent level or 1.96 (1.78) or 3.5. Thus, one may conclude that the difference in labor force participation of 16–17-year-old students in metro areas is statistically significant at the 95-percent level from that of nonmetro 16–17-year-old students.

APPENDIX

General standard errors of estimated percentages (68 chances out of 100)

Estimated base or percentage (thousands)	Estimated percentage								
	1 or 99	2 or 98	5 or 95	10 or 90	15 or 85	20 or 80	25 or 75	35 or 65	50
	Percent								
75	1.7	2.3	3.6	5.0	5.9	6.7	7.2	7.9	8.3
100	1.4	2.0	3.1	4.3	5.2	5.8	6.2	6.9	7.2
250	.9	1.3	2.0	2.7	3.3	3.7	4.0	4.4	4.6
500	.6	.9	1.4	1.9	2.3	2.6	2.8	3.1	3.2
1,000	.5	.6	1.0	1.4	1.6	1.8	2.0	2.2	2.3
2,000	.3	.5	.7	1.0	1.2	1.3	1.4	1.5	1.6
6,000	.2	.3	.4	.6	.7	.7	.8	.9	.9
10,000	.14	.2	.3	.4	.5	.6	.6	.7	.7
20,000	.10	.14	.2	.3	.4	.4	.4	.5	.5
40,000	.07	.10	.2	.2	.3	.3	.3	.3	.4
60,000	.06	.08	.13	.2	.2	.2	.3	.3	.3
100,000	.05	.06	.10	.14	.2	.2	.2	.2	.2
160,000	.04	.05	.08	.11	.13	.14	.2	.2	.2

Source: Bureau of the Census. "Social and Economic Characteristics of the Metropolitan and Nonmetropolitan Population, 1977 and 1970," *Current Population Reports*, Series P-23, No. 75, U.S. Department of Commerce, Washington, D.C. 1978.

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